



BRIEFING NOTE TO THE MINISTER

RELATED PARTY TRANSACTIONS

(For Signature)

PURPOSE

- According to the *Public Sector Accounting Standards* and the Receiver General's *Public Accounts of Canada Instructions*, Infrastructure Canada (INFC) is required to report on certain related party transactions in its public accounts and in its departmental financial statements.

KEY CONSIDERATIONS

- Related parties include key management personnel (KMP), their close family members and entities controlled by, or under shared control of, a KMP or one of their close family member. In the Public Accounts, KMP is defined as Ministers and Deputy Head and in its departmental financial statements, KMP also includes Assistant Deputy Ministers and members of governing management boards.
- A related party transaction is defined as a transfer of economic resources or obligations between related parties or the provision of services by one party to a related party. These transfers are related party transactions whether or not there is an exchange of consideration or transactions have been given accounting recognition.
- Infrastructure Canada is required to report on related party transactions external to the department that:
 - have occurred at a value that would have been different had the parties been unrelated; and
 - have, or could have, a material financial effect on the financial statements.
- For related party disclosures, a transaction is considered to have material financial effect on the financial statements when it is equal to or greater than \$10 million per transaction, contract or agreement, or where total transactions exceed \$10 million in aggregate per external related party.

KEY BACKGROUND

- The Public Accounts of Canada is the annual financial report of the Government of Canada, prepared by the Receiver General, based on information reported by departments, as required by section 64 of the Financial Administration Act. The report covers the financial transactions of the Government during the fiscal year ending March 31.
- The Public Accounts of Canada is produced in three volumes. Related party transactions are reported in Volume I – Summary Report and Consolidated Financial Statements.



NEXT STEPS

- It is requested that you complete and return the attached Declaration of Related Party Transactions form to Benoit Schryer, Chief, Corporate Accounting, by April 30, 2019.
- We are available to discuss or clarify at your convenience.

Kelly Gillis
Deputy Minister
Infrastructure and Communities

Date

- No related party transactions to report.
 Information on related party transactions provided in the attached form.

The Honourable Bernadette Jordan, P.C., M.P.
Minister of Rural Economic Development

Date

Attachment: Declaration of Related Party Transactions form

WebCIMS #: 51043

2

Declaration on Related Party Transactions for the period of April 1, 2018 to March 31, 2019

Part A – Personal Information			
Surname:	Given Name(s):		
Title:			
Part B – Related Party Transactions			
<i>For questions 1a) and 1b), do not include your compensation arrangement, expense allowances or other similar payments routinely paid in exchange for services rendered.</i>			
1a) Have you, your spouse, your dependent(s) or your spouse's dependent(s) conducted any related party transactions with the Office of Infrastructure Canada?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>		
1b) Have any of the entities controlled by yourself, your spouse, your dependent(s) or your spouse's dependent(s) conducted any related party transactions with the Office of Infrastructure Canada?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>		
<i>Answer question 2) if you've answered "Yes" to question(s) 1a) and/or 1b).</i>			
2) Were <u>all</u> the related party transactions entered into via a public procurement / tendering bid?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>		
<i>Answer question 3) if you've answered "No" to question 2).</i>			
3) Were any of the related party transactions entered through a sole source contract greater than or equal to \$25,000?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>		
<i>Answer question 4) if you've answered "Yes" to question 3).</i>			
4) Please fill out the details of the transactions in the table below and provide any supporting documentation:			
	Description of Related Party (Name, Relationship to you)	Amount of the transaction	Description of Transaction
1			
2			
3			

BRIEFING NOTE TO THE MINISTER OF RURAL ECONOMIC DEVELOPMENT

RESPONSE TO ONTARIO MINISTER OF INFRASTRUCTURE ON USE OF REMAINING NEW BUILDING CANADA FUND ALLOCATION

(For Signature)

PURPOSE

- To outline the context and rationale for a response prepared for your signature (**Annex A**) to the Ontario Minister of Infrastructure, Monte McNaughton, about the use of Ontario's remaining \$33.73M allocation from the New Building Canada Fund (NBCF) for a project that would address gaps in cellular coverage and the mobile network [REDACTED]

HIGHLIGHTS/KEY CONSIDERATIONS

- Minister McNaughton sent Minister Champagne a letter at the February 28, 2019 deadline for submitting new NBCF projects that only referenced a broadband and cellular strategy. [REDACTED]

- Provincial officials subsequently indicated a desire to use Ontario's remaining NBCF allocation [REDACTED]
- [REDACTED]

The policy intent of this category is to target infrastructure that increases access to high-speed, fixed broadband and supports performance targets established by the Canadian Radio-television and Telecommunications Commission (CRTC).

- Eligible infrastructure under the connectivity and broadband category of NBCF may vary (e.g., type of towers) but must support a high-speed backbone, points of presence, local distribution within communities, or satellite capacity, and always with the intent of increasing access to high-speed, fixed broadband.

ATIA - 21(1)(a)

ATIA-14(a)

ATIA - 21(1)(b)

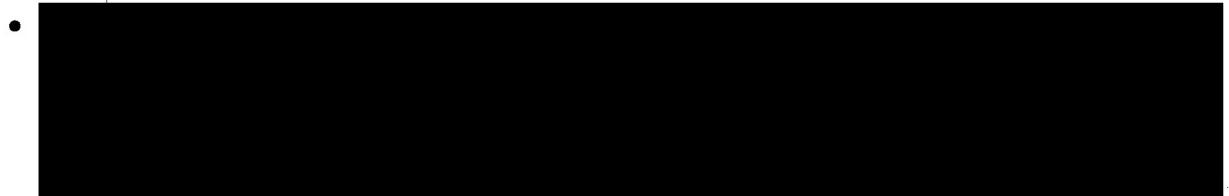
PROTECTED B



- The CRTC recently launched a \$750 million Broadband Fund to close the connectivity gap between rural and urban areas. Mobile wireless technology projects are eligible and the CRTC plans to issue a call for applications this spring and start the competitive process to evaluate and select projects. The fund could be another option for [REDACTED] to advance its project.

KEY BACKGROUND

- The remaining \$33.73M NBCF allocation for Ontario consists of \$6.27M from the National Regional Projects fund and \$27.46M from the Small Communities Fund (SCF).
[REDACTED]
- Minister McNaughton's letter was triggered by correspondence sent to provincial and territorial Deputy Ministers on January 13, 2019, which indicated that the deadlines for submitting new NBCF projects and receiving federal approval had been extended to February 28, 2019 and June 30, 2019 respectively. Any unused funding would be transferred to the Gas Tax Fund after this date.



RECOMMENDATIONS/NEXT STEPS

- A response to the Ontario Minister of Infrastructure has been prepared for your signature (**Annex A**).
[REDACTED]

[REDACTED] Consequently, Ontario's remaining NBCF allocation will be transferred to the Gas Tax Fund to support municipal infrastructure projects in the province.

PROTECTED B

- The response also indicates that funding may be available for the [REDACTED] project under the CRTC's \$750 million Broadband Fund since mobile wireless technology is an eligible category.

Kelly Gillis
Deputy Minister
Infrastructure and Communities

Date

The Honourable Bernadette Jordan, P.C., M.P.
Minister of Rural Economic Development

Date

I approve. I do not approve. For discussion.

Attachments:

- Annex A - Incoming letter addressed to the Honourable Minister Champagne
- Annex B - Response to the Honourable Monte McNaughton, Ontario Minister of Infrastructure
- Annex C - Letter to the Ontario Deputy Minister of Infrastructure, Chris Giannekos

Ministry of Infrastructure

Office of the Minister

5th Floor, 777 Bay Street
Toronto, Ontario M7A 2E1
Telephone: 416-314-0998**Ministère de l'Infrastructure**

Bureau du ministre

777, rue Bay, 5^e étage
Toronto (Ontario) M7A 2E1
Téléphone: 416 314-0998

Ontario

February 28, 2019

The Honourable François-Philippe Champagne, P.C., M.P.
Minister of Infrastructure and Communities
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister Champagne:

I am writing to you in response to your letter from January 13, 2019 regarding the extended deadline to nominate projects under the New Building Canada Fund. Thank you for your correspondence in this regard and continued consideration of the need to continue to support provincial and territorial priorities that are in the long-term public interest.

As you may know, in the recent Ontario Economic Outlook and Fiscal Review, Ontario committed to ensuring that communities across the province have access to critical broadband and cellular connectivity. To support this commitment, and help promote job creation and economic competitiveness, the province will release a broadband and cellular strategy in 2019, outlining an action plan to expand broadband, digital services and cellular access in unserved and underserved areas.

To align with this strategy, the Province of Ontario is proposing to allocate the balance of federal funding under the New Building Canada Fund – Provincial Territorial Infrastructure Component (PTIC-NRP) and the New Building Canada Fund – Small Communities Fund (PTIF-SCF) to critical broadband initiatives across the province. Once the strategy is released, Ontario will nominate specific projects for this remaining funding.

Provincial officials are available to discuss the most effective mechanism to ensure that this federal funding, previously allocated to the Province of Ontario, is available to support critical broadband and connectivity projects across the province.

Sincerely,

A handwritten signature in black ink, appearing to read "Monte McNaughton".

Monte McNaughton
Minister of Infrastructure

c: Chris Giannekos, Deputy Minister of Infrastructure

The Honourable Monte McNaughton, M.P.P.
Minister of Infrastructure
Ministry of Infrastructure Ontario
5th Floor, 777 Bay Street
Toronto, Ontario M7A 2E1

Dear Minister:

Thank you for your letter of February 28, 2019 addressed to my colleague, Minister Champagne, requesting that Ontario's unallocated funding under the Provincial-Territorial Infrastructure Component of the New Building Canada Fund (PTIC-NBCF) be reserved for future projects under your government's forthcoming broadband and cellular strategy. I appreciate your continued support in delivering important infrastructure programs in the province.

As you may know, a letter was sent to Mr. Chris Giannekos, Acting Deputy Minister, Ontario Ministry of Infrastructure, on January 13, 2019, about the deadline extension for the submission and approval of new projects under the PTIC-NBCF. Under the extension, the deadline for submitting new projects under the PTIC-NBCF was adjusted from March 31, 2018 to February 28, 2019. In addition, the deadline for federal approval of new and already prioritized projects was revised from March 31, 2019 to June 30, 2019.

Provinces and territories were required to formally submit projects to Infrastructure Canada, according to the Terms and Conditions of the PTIC-NBCF, to capitalize on the extension [REDACTED]

[REDACTED] However, the remaining monies under the PTIC-NBCF will still support infrastructure projects in the province as they will be transferred to the Gas Tax Fund and dispersed to municipalities based on the jointly established allocation formula.

...2

- 2 -

I would also bring to your attention that the Canadian Radio-television and Telecommunications Commission (CRTC) recently announced a \$750 million Broadband Fund to close the connectivity gap between rural and urban areas. Mobile wireless technology projects are eligible under the fund and the CRTC plans to issue a call for applications and begin the competitive process to evaluate and select projects this year. The Broadband Fund may provide another avenue for [REDACTED] to advance its project.

Finally, I look forward to continuing to work with Ontario to make unprecedented investments in public transit, green infrastructure, communities, recreational and cultural infrastructure, and rural and northern communities through the Investing in Canada Infrastructure Plan.

Thank you for writing on this important matter.

Sincerely,

The Honourable Bernadette Jordan, P.C., M.P.
Minister of Rural Economic Development

c.c. Mr. Chris Giannekos, Acting Deputy Minister
Ontario Ministry of Infrastructure



Deputy Minister of
Infrastructure and Communities

Ottawa, Canada
K1P 0B6

Sous-ministre de
l'Infrastructure et des Collectivités

ATIA-14(a)

Mr. Chris Giannekos
Deputy Minister
Ministry of Infrastructure
Government of Ontario
5th Floor, 777 Bay Street
Toronto, Ontario M7A 2J3

APR 30 2019

Dear Mr. Giannekos:

Thank you for your letter of April 5, 2019, requesting that Ontario's unallocated funding under the Provincial-Territorial Infrastructure Component of the New Building Canada Fund (NBCF-PTIC) be used for [REDACTED]

As mentioned in my letter to you on January 13, 2019, the deadline for submitting new projects under the NBCF-PTIC was adjusted from March 31, 2018 to February 28, 2019. Provinces and territories were required to formally prioritize projects to Infrastructure Canada by that date, according to the Terms and Conditions of the NBCF-PTIC, to capitalize on the extension.

[REDACTED]
[REDACTED]
However, Ontario's remaining monies under the NBCF-PTIC will still support infrastructure projects as these funds will be transferred to the Gas Tax Fund and dispersed to municipalities based on the jointly established allocation formula.

I would also bring to your attention that the Canadian Radio-television and Telecommunications Commission (CRTC) recently announced a \$750 million Broadband Fund to close the connectivity gap between rural and urban areas. Mobile wireless technology initiatives are eligible under the fund and the CRTC plans to issue a call for applications and begin the competitive process to evaluate and select projects this year. The Broadband Fund may provide another avenue for [REDACTED] to advance its project.

Finally, I look forward to continuing to work with you and your officials to make unprecedented investments in public transit, green infrastructure, communities, recreational and cultural infrastructure, and rural and northern communities through the Investing in Canada Infrastructure Plan.

...2

Canada

Thank you for writing on this important matter.

Sincerely,



Kelly Gillis

c.c. Adam Redish, Assistant Deputy Minister, Ontario Ministry of Infrastructure

Fausto Iannialice, Director, Broadband and Digital Strategy, Ontario Ministry of Infrastructure

Julia Danos, Director, Intergovernmental Infrastructure Policy, Ontario Ministry of Infrastructure

Marc Fortin, Assistant Deputy Minister, Infrastructure Canada

Marie-Pier Nassif, Director, Program Operations, North/Atlantic/Ontario, Infrastructure Canada

**BRIEFING NOTE TO THE MINISTER****THREE-YEAR INFRASTRUCTURE PLANS**

(For Information)

PURPOSE

- To provide a status update and summary analysis of provincial/territorial (PT) three-year infrastructure plans received to date under the Investing in Canada Infrastructure Program (ICIP), which were due November 30, 2018.

HIGHLIGHTS/KEY CONSIDERATIONS

- As of March 1, 2019, INFC received 9 final plans and 2 draft plans; 2 plans are missing [REDACTED]. Details on the status and summary analysis of plans for each jurisdiction are provided in the attached placemat (**Annex A**).

[REDACTED]

- Each PT defines its intake or project selection process based on its needs. Some PTs have developed and launched calls for proposals or application-based programs for some ICIP streams with set timelines and some PTs have not yet launched an intake process.
- Project lists received to date identified a total of 189 projects, 21 of which have been submitted to INFC. Among these:
 - 9 have been approved; and
 - 12 are under review.

PROTECTED B

- Of the remaining 168 planned projects, top priorities include:
 - By number of planned projects:
 - Green – 62
 - Community, Culture and Recreation – 50
 - Rural and Northern – 37
 - Public Transit – 16
 - Arctic Energy Fund – 3
 - By planned program contribution (and share of national ICIP allocation per stream):
 - Public Transit – \$1.64B of \$18.9B (8.7 percent)
 - Green – \$1.61B of \$8.96B (19 percent)
 - Community, Culture and Recreation – \$383.2M of \$1.3B (29.5 percent)
 - Rural and Northern – \$262.6M of \$1.96B (13.4 percent)
 - Arctic Energy Fund – \$48.8M of \$400M (12.2 percent)
- Based on the number of proposed projects identified in the three-year plans, the Green Infrastructure stream and the Community, Culture and Recreation Infrastructure stream are considered to be the top priorities of provinces and territories.

Rural Considerations

- Three-year plans have identified 37 projects in rural communities [REDACTED] (see Rural Lens paper in Annex B):
 - 18 projects under the Rural and Northern stream, which focus on road/air/marine infrastructure, broadband, food security, and access to efficient energy sources; and
 - 19 projects under other streams, particularly under the Community, Culture and Recreation stream.
- The three-year plans are only used as a tool for forward planning, which means the provinces and territories have the flexibility to submit subsequent projects for approval that are not included in those plans.

PROTECTED BCanada Infrastructure Bank (CIB)

- INFC officials are reviewing the lists as submitted for possible alignment with CIB's mandate and model.
- CIB also undertakes extensive outreach activities with the provinces, territories and municipalities in order to ensure the CIB model is an ongoing consideration as the three-year infrastructure plans are developed.

KEY BACKGROUND

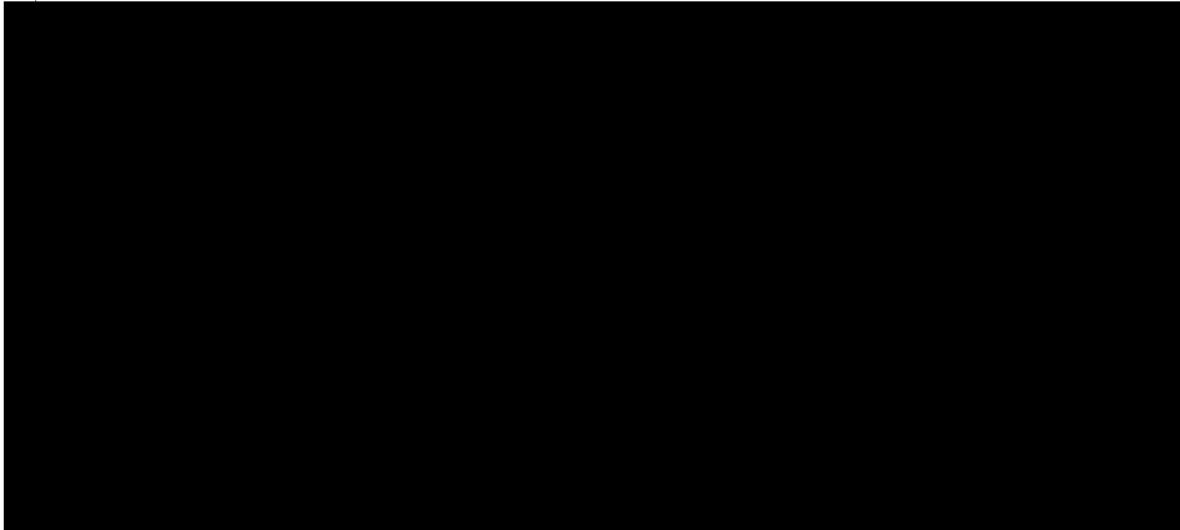
- Three-year infrastructure plans are a key tool to support INFC in the effective delivery of ICIP in each PT, by providing an overall portrait of approaches to administering ICIP funding and planned investments.
- Per the ICIP program parameters, PTs had a deadline to submit their first three-year infrastructure plans ranging between September 30 and November 30, 2018. This deadline was extended to November 30, 2018 for all jurisdictions.
- Three-year plans must cover a minimum period of the current and the next two fiscal years, and describe:
 - the approach to identifying projects and priorities for ICIP;
 - plans to achieve IBA targets;
 - the approach to submitting a fair balance of municipal and provincial/territorial projects and to considering projects benefitting Indigenous peoples; and
 - aspirational targets for Community Employment Benefits for federal target groups.
- A national dashboard compiling data from final project lists submitted in the appropriate format [REDACTED] highlights approved and planned investments under ICIP, as well as amounts for projects currently under review (**Annex C**).

ATIA-14(a)

ATIA - 21(1)(a)

PROTECTED B

- Regarding the project lists for remaining PTs:



- Plans mention efforts to meet fair balance objectives in prioritizing local/municipal assets in relation to provincial/territorial assets as well as efforts to consider projects benefiting Indigenous people. [REDACTED]
- Plans mention efforts to meet national targets, with some focusing on specific targets in this three-year horizon. While several plans would require more details on how PTs will contribute to targets, this information will be collected at the project level at the project submission stage.
- Most plans mention how Community Employment (CEB) will be assessed. In most cases, aspirational targets are still under development and some target groups have been identified.
- On other ICIP program requirements:

- Most plans mention plans to prioritize projects benefiting Indigenous populations not living on reserve, in order to meet the Community, Culture and Recreation (CCRIS) stream funding floor, [REDACTED] and [REDACTED]
 - Some plans mention efforts to prioritize assets that serve vulnerable populations under CCRIS, with some examples provided [REDACTED]

ATIA - 21(1)(a)
ATIA - 14(a) ATIA - 21(1)(b)

PROTECTED B

OPPORTUNITIES, RISKS AND MITIGATION

- [REDACTED]
- Ongoing communications with provincial and territorial officials enable INFC officials to anticipate some of the upcoming workload in the short term. Official follow ups by the ICIP Oversight Committee federal co-chair requesting outstanding three-year plans and addressing information gaps took place on December 27, 2018. Regional analysts are also working with counterparts in each jurisdictions to ensure that the information gaps are addressed in the next version of the plans, due in May 2019.

NEXT STEPS/WAY FORWARD

- INFC will continue to monitor progress with jurisdictions that have yet to submit their three-year plans.
- ICIP Oversight Committees will monitor progress on all program requirements, including subjects covered in the three-year plans.
- INFC will continue to discuss feedback with officials in jurisdictions whose plans included gaps in information, ahead of the May 31, 2019 submission deadline for the next three-year plans.

Kelly Gillis
Deputy Minister
Infrastructure and Communities

Date

Attachments:

- Annex A – 3-Year Infrastructure Plan Status (Fall 2018) Placemat
- Annex B – Three-Year Infrastructure Plans – Rural Lens
- Annex C – Investing in Canada Infrastructure Program Dashboard – National
- Annex D – Gap analysis

WebCIMS #: 50301

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pursuant to paragraph
21(1)(a), 21(1)(b) & 13(1)(c)
of the *Access to Information Act***

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21(1)(a), 21(1)(b) & 13(1)(c)
de la *loi sur l'accès à l'information***

Three-Year Infrastructure Plans Rural Lens

The fall 2018 three-year infrastructure plans submitted to date by provinces provided project lists that identified 37 projects targeting rural communities [REDACTED]

[REDACTED] This represent at least 1.6%¹ (\$507.1M) of the \$31.5B Investing in Canada Infrastructure Program (ICIP). Some provinces² have not yet submitted their ICIP project lists and are not included in this analysis.

Almost half of the projects planned by provinces are under the Rural and Northern Infrastructure stream (RNIS). Provinces identified 18 RNIS projects, with a total value of investments in rural communities estimated at \$178.3M in the three-year horizon³. The projects target the following stream outcomes:

- Improved road/air/marine infrastructure [REDACTED]
- Improved broadband connectivity [REDACTED]
- Improved food security [REDACTED]; and
- Increased access to efficient energy sources [REDACTED]

Investments in rural communities under other streams could reach as much as \$133M² through 19 planned projects, including:

- Communities, Culture and Recreation (\$29.5M)
 - 10 recreation projects [REDACTED]
 - 2 cultural centre projects [REDACTED]; and
 - 1 library project [REDACTED]
- Green Infrastructure (at least \$100M²)
 - 1 environmental quality project [REDACTED]; and
 - 2 climate change mitigation project [REDACTED]
- Public Transit (\$3.5M)
 - 3 projects [REDACTED]

Some provinces that did not submit a final project list to date have identified priorities under RNIS in their narrative or draft plans. These include a focus on:

- Improved road/air/marine infrastructure [REDACTED] and
- Improved food security [REDACTED]

¹ Some projects have no program contribution identified in their three-year plan.

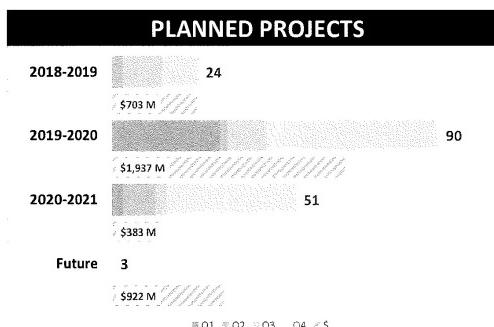
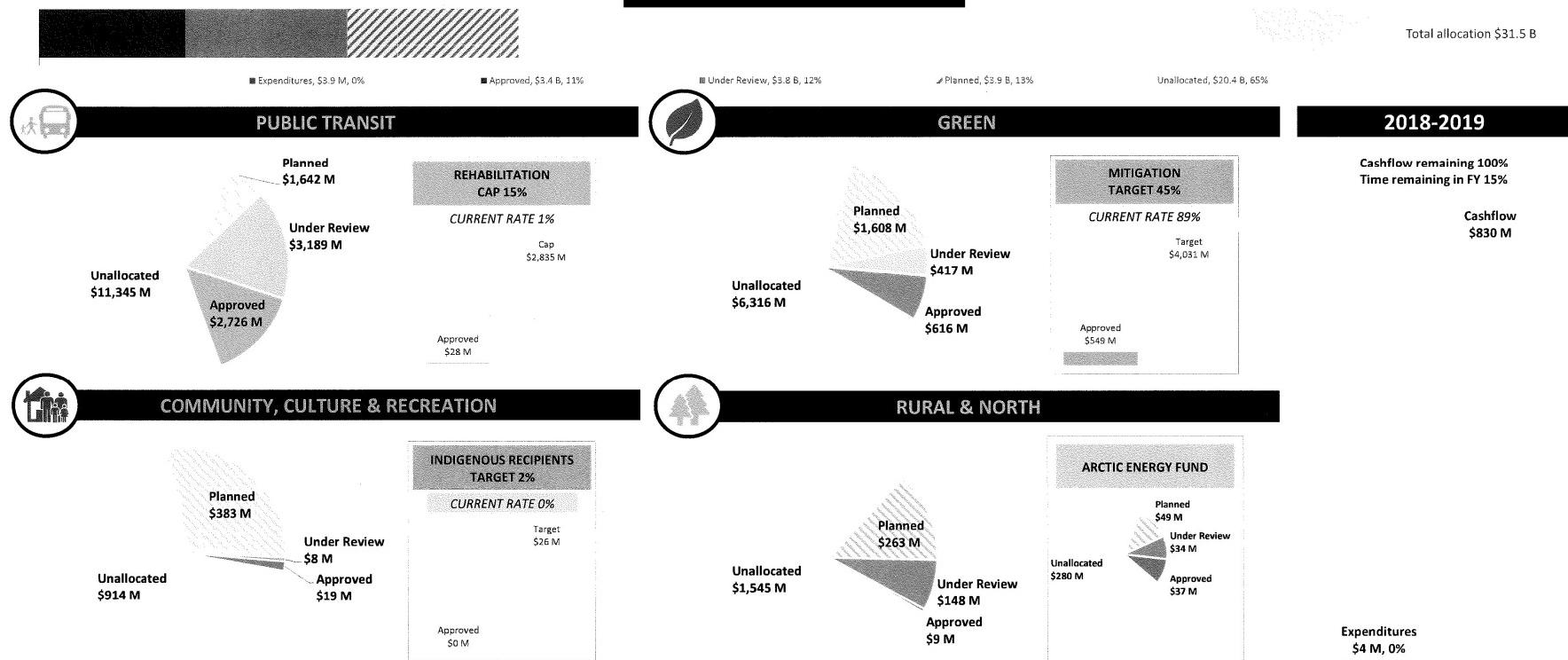
² [REDACTED]

³ Not all ICIP projects are included in three-year plan project lists.

INVESTING IN CANADA INFRASTRUCTURE PROGRAM DASHBOARD - NATIONAL

Data as of February 6, 2019

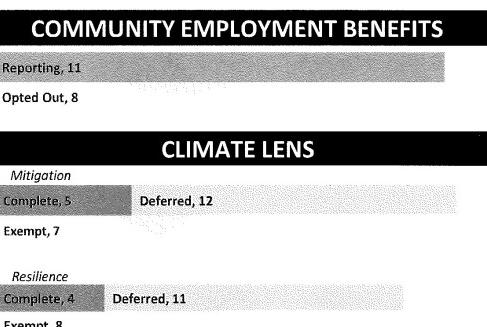
Total allocation \$31.5 B



NUMBER OF PROJECTS

	Approval Status			Construction Status	
	Planned	Under Review	Approved	Underway	Complete
ICIP TOTAL	168	30	30	7	0
PUBLIC TRANSIT	16	6	9	1	0
CCR	50	2	6	3	0
RURAL & NORTH	37	7	5	2	0
ARCTIC ENERGY FUND	3	4	2	0	0
GREEN	62	11	8	1	0
<i>Climate change mitigation</i>	4	3	0	0	0
<i>Adaptation, resilience, disaster mitigation</i>	0	1	0	0	0
<i>Environmental quality</i>	7	4	1	0	0

Multi-stream projects are counted in each applicable stream



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pursuant to paragraph
21(1)(a), 21(1)(b) & 13(1)(c)
of the *Access to Information Act***

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de la *loi sur l'accès à l'information***

Checklist for PT Infrastructure Plans**Current plan status**

PT has provided a description of how projects will be selected by taking the following into account:

- Balancing municipal and provincial or territorial projects;
- Ensuring projects benefitting Indigenous people are considered for funding;
- Contributing to the achievement of targets;

PT has provided a description of how projects will be selected by meeting the following project prioritization requirements:

- Prioritizing projects that support key actions identified as part of the province's or territory's commitments under the *Pan-Canadian Framework on Clean Growth and Climate Change*;
- Prioritizing community, culture and recreation infrastructure assets that serve vulnerable populations;
- Ensuring infrastructure projects respect the unique wide-ranging needs of rural and northern communities, including advancement of reconciliation with Indigenous peoples and building community capacity needs.

PT has described the provincial or territorial approach to contributing to the achievement of targets.

PT has described the provincial or territorial approach to reporting on community employment benefits.

PT has described the tools or systems in place, or which will be developed, to ensure timely collection of progress reports.

PT has provided an updated fiscal year breakdown for administrative funding over the life of the program with the following information:

- Actual funding received in previous years
- Updates to anticipated funding needs for the current and forthcoming fiscal years
- Total amount of administrative funding

Public Transit

- a. PT has identified priorities for the stream.
 - b. PT provides general overview of the challenges, the opportunities that exist.
 - c. PT provides description of how ICIP funding would help address those challenges and opportunities.
 - d. PT describes how investments will contribute to achieving outcomes within the stream.
 - e. PT has provided a brief description of the approach and key projects that will contribute to achieving targets related to the stream.
 - f. PT has provided an estimate of the number of projects that are expected to be submitted within the funding stream over the 3 year planning horizon.
 - g. PT has provided an updated fiscal year breakdown including:
- Actual funding received in previous fiscal years, and
 - Update of the anticipated funding needs for the current and forthcoming fiscal years.

Green Infrastructure

- a. PT has identified priorities for the stream.
 - b. PT provides general overview of the challenges, the opportunities that exist.
 - c. PT provides description of how ICIP funding would help address those challenges and opportunities.
 - d. PT describes how investments will contribute to achieving outcomes within the stream.
 - e. PT has provided a brief description of the approach and key projects that will contribute to achieving targets related to the stream.
 - f. PT has provided an estimate of the number of projects that are expected to be submitted within the funding stream over the 3 year planning horizon.
 - g. PT has provided an updated fiscal year breakdown including:
- Actual funding received in previous fiscal years, and
 - Update of the anticipated funding needs for the current and forthcoming fiscal years.

Communities, Culture and Recreation Infrastructure

- a. PT has identified priorities for the stream.
- b. PT provides general overview of the challenges, the opportunities that exist.
- c. PT provides description of how ICIP funding would help address those challenges and opportunities.
- d. PT describes how investments will contribute to achieving outcomes within the stream.

Checklist for PT Infrastructure Plans

- e. PT has provided a brief description of the approach and key projects that will contribute to achieving targets related to the stream.
- f. PT has provided an estimate of the number of projects that are expected to be submitted within the funding stream over the 3 year planning horizon.
- g. PT has provided an updated fiscal year breakdown including:
- Actual funding received in previous fiscal years, and
 - Update of the anticipated funding needs for the current and forthcoming fiscal years.

Rural and Northern Infrastructure

- a. PT has identified priorities for the stream.
- b. PT provides general overview of the challenges, the opportunities that exist.
- c. PT provides description of how ICIP funding would help address those challenges and opportunities.
- d. PT describes how investments will contribute to achieving outcomes within the stream.
- e. PT has provided a brief description of the approach and key projects that will contribute to achieving targets related to the stream.
- f. PT has provided an estimate of the number of projects that are expected to be submitted within the funding stream over the 3 year planning horizon.
- g. PT has provided an updated fiscal year breakdown including:
- Actual funding received in previous fiscal years, and
 - Update of the anticipated funding needs for the current and forthcoming fiscal years.

Arctic Energy Fund (Territories only)

- a. PT has identified priorities for the stream.
- b. PT provides general overview of the challenges, the opportunities that exist.
- c. PT provides description of how ICIP funding would help address those challenges and opportunities.
- d. PT describes how investments will contribute to achieving outcomes within the stream.
- e. PT has provided a brief description of the approach and key projects that will contribute to achieving targets related to the stream.
- f. PT has provided an estimate of the number of projects that are expected to be submitted within the funding stream over the 3 year planning horizon.
- g. PT has provided an updated fiscal year breakdown including:
- Actual funding received in previous fiscal years, and
 - Update of the anticipated funding needs for the current and forthcoming fiscal years.

PT has included a Project Plan, in the excel format template, with all the following preliminary project information:

- a. Project Title
- b. Project Description
- c. Ultimate Recipient
- d. Location
- e. Investment Stream
- f. Project Outcome(s)
- g. Target that the Project will contribute to (if applicable)
- h. Forecasted construction start date
- i. Total Project Costs
- j. Total Eligible Costs
- k. Program Contribution
- l. Timing of Submission to INFC (approximate)

PT has completed the attestation.**LEGEND**

X = Included * = Partial information n/a = not applicable at this time
 Blank = Not included Grey cells = not applicable to PT

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14(a)
of the *Access to Information Act***

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**BRIEFING NOTE TO THE MINISTER OF RURAL ECONOMIC DEVELOPMENT**

BUDGET 2019 OVERVIEW
(For Information)

ISSUE

- This note provides an analysis of Budget 2019 announcements related to your mandate as Minister of Rural Economic Development.

OVERVIEW

- Budget 2019 titled “Investing in the Middle Class” is focused on economic growth for the long-term, in a fiscally responsible way that preserves Canada’s low-debt advantage. Budget 2019 proposes targeted supports to Canadians in key areas, such as skills training, housing affordability and health care, access to high speed internet as well as increased direct investments to municipalities through the Gas Tax Fund.
- Budget 2019 includes more than 20 measures that provide direct benefits to rural and remote populations, including initiatives supporting the new Arctic and Northern Policy Framework, the creation of a Canadian Experiences Fund supporting Canada’s tourism sector, new investments in the Connect to Innovate program and the introduction of the Government’s new the Universal Broadband Fund.
- Budget 2019 also includes a series of broader measures, such as supports to make homeownership more affordable for first time buyers, or the Canada Training Benefit, which are not specifically targeted to rural communities, but could have positive spill-over benefits for rural Canadians.
- [REDACTED]

Key Initiatives supporting Rural Economic Development*Broadband*

- Budget 2019 proposes a coordinated plan that would deliver \$5 billion to \$6 billion in investments in broadband over the next 10 years to help build a fully connected Canada, including rural remote and northern communities. Specifically, Budget 2019 is announcing **new investments of \$1.7 billion** over 13 years to Innovation, Science, and Economic Development (ISED) for high speed internet, and is setting a **new national target** to ensure that all Canadians will have access to internet speeds of 50/10 Mbps by 2030.
- Our understanding is that these new measures include:

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- █ Universal Broadband Fund, which will focus on extending "backbone infrastructure" to underserved communities, and funding that may also support "last mile" connections to individual homes and businesses.
- █ top-up to the Connect to Innovate Program (ISED) to further support new "backbone" infrastructure to connect institutions like schools and hospitals with a portion of funding for upgrades and "last-mile" infrastructure to households and businesses;
- █ to advance the next-generation of low-Earth orbit (LEO) satellites (ISED) to help bring reliable high speed internet access to most challenging rural and remote homes and communities.
- \$11.5 million to develop better data and research (Statistics Canada) to measure household access and use of the internet and business online behavior. This will enhance the understanding of how digital issues are impacting Canadian.
- In addition, Budget 2019 announces that the working to maximize the contribution of private capital, the Canada Bank Infrastructure will seek to invest \$1 billion over the next 10 years, and leverage at least \$2 billion in additional private sector investment to increase broadband access for Canadians.

Infrastructure

- Budget 2019 proposes a one-time transfer of \$2.2 billion through the federal Gas Tax Fund to address short-term priorities in municipalities and First Nation communities. This will double the Government's commitment to municipalities in 2018-2019 and will provide much needed infrastructure funds for communities of all sizes. The Budget acknowledges that the Government previously transferred remaining uncommitted funds from older federal infrastructure programs to municipalities through the federal Gas Tax Fund, and has ensured that the \$81.2 billion in long-term infrastructure funding announced in Budget 2017 is available for jurisdictions when it is needed. This is a one-time increase to the Gas Tax Fund for implementation in 2018-2019, to support many municipalities that continue to face infrastructure deficits.
- Budget 2019 announces \$300 million to launch a new Housing Challenge modeled after the Smart Cities Challenge. The Challenge is aimed at empowering communities across the country to address local housing issues their residents face through new partnerships. Infrastructure Canada (INFC) will work with the Canadian Mortgage and Housing Corporation (CMHC) on this initiative. The Budget highlights that further details will be announced in July 2019.
- Budget 2019 proposes to invest \$60 million in 2018-2019 in the Federation of Canadian Municipalities' Municipal Asset Management Capacity Fund to help small communities get skills training on how to inventory, grow and maintain infrastructure assets over five years. This program has proven to be popular and has demonstrated

results to assist communities in developing accurate data around local infrastructure for budgetary and investment decisions.

Regional Economic Development

- To better support a **fair transition for Canadian coal power workers and communities** that are phasing-out coal-fired electricity, Budget 2019 creates a dedicated \$150 million infrastructure fund, starting in 2020–21, to support priority projects and economic diversification in impacted communities. This Fund will be administered by Western Economic Diversification Canada and the Atlantic Canada Opportunities Agency.
 - Of note, the Budget indicates that you, along with other responsible Ministers, will be reporting on results from these activities while continuing to engage with key partners and stakeholders to ensure that people affected by the phase-out have access to the help they need during this transition.
- As the Government is developing its **Western Economic Development Strategy**, and to support the creation of a more resilient, inclusive and diversified economy in the west, Budget 2019 proposes to provide \$100 million over three years, starting in 2019–20, to Western Economic Diversification Canada to increase its programming in western Canada.
- Regarding support for Northern and Arctic communities, building on the Government's ongoing support for the region, Budget 2019 announces more than \$700 million over 10 years in new and focused funding to ensure that Arctic and northern communities can continue to grow and prosper. This includes new funding for more diversified post-secondary educational options in the territories, enhanced infrastructure resources to connect northern and remote communities (**\$400 million to the National Trade Corridors Fund**), increased economic development programming (**\$75 million for the Canadian Northern Economic Development Agency**), funding for a new campus science building for the Yukon College (**\$26 million**), and support for the planning of the Taltson hydroelectricity expansion project (**\$18 million**).

Tourism

- To seek to address Canada's "concentration problem", where tourism is focussed largely in Canada's urban centres, Budget 2019 proposes to provide \$58.5 million over two years (starting in 2019-20) for the creation of a Canadian Experiences Fund. Using this fund, the Regional Development Agencies would seek to improve or expand tourism in rural and remote communities, as well as Indigenous tourism, winter tourism, and farm-to-table tourism, among others. It proposes \$5 million for a tourism marketing campaign, led by Destination Canada, that will help Canadians discover lesser-known areas of the country. In addition, Budget 2019 proposes to create a seventh Economic Strategy Table dedicated to tourism.

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NEXT STEPS

- Question Period and communications materials have been prepared on Budget 2019.
- [REDACTED]

Kelly Gillis Deputy Minister Infrastructure and Communities	Date
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